

HOUSE BILL REPORT

2SHB 1450

As Passed House:

March 11, 2009

Title: An act relating to modifying the definition of "public facilities".

Brief Description: Modifying the definition of "public facilities.".

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Takko and Blake).

Brief History:

Committee Activity:

Community & Economic Development & Trade: 1/28/09, 2/18/09 [DPS];

Capital Budget: 2/24/09, 2/27/09 [DP2S(w/o sub CEDT)].

Floor Activity

Passed House: 3/11/09, 97-0.

Brief Summary of Second Substitute Bill

- Includes in the term "port facilities" under the Community Economic Revitalization Board statute certain capitalized equipment used by a consortium of three or more ports.

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Smith, Ranking Minority Member; Chase, Liias, Parker, Probst and Sullivan.

Staff: Meg Van Schoorl (786-7105)

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Community & Economic Development & Trade. Signed by 15 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Warnick, Ranking Minority Member; Pearson, Assistant Ranking

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Minority Member; Anderson, Blake, Chase, Grant-Herriot, Hope, Jacks, Maxwell, McCune, Orwall, Smith and White.

Staff: Nona Snell (786-7153)

Background:

The Community Economic Revitalization Board (CERB) is a statutorily authorized state board charged with financing publicly-owned economic development infrastructure improvements for the purpose of job creation, job retention, or job expansion. Staffing for the CERB is provided by the Department of Community, Trade and Economic Development (DCTED).

Traditional assistance in the CERB program is primarily targeted to rural communities. Counties, cities, towns, port districts, federally-recognized Indian tribes, special purpose districts, and any other municipal corporations and quasi-municipal corporations providing for public facilities are eligible to apply.

The CERB program provides local governments low-interest loans and, occasionally, grants to help finance planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation or improvement of public facilities. Eligible public facilities include: bridges; roads; domestic and industrial water; earth stabilization; sanitary sewer; storm sewer; railroad; electricity; telecommunications; transportation; natural gas; buildings or structures; and port facilities.

Summary of Second Substitute Bill:

Under the definition of "public facilities" within the CERB statute, "port facilities" include capitalized equipment valued greater than \$400,000 that is used for maintenance of maritime transportation facilities by a consortium of three or more ports.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Community & Economic Development & Trade):

(In support) There are six ports in Pacific and Wahkiakum counties whose channels require regular dredging to allow transit of commercial vessels. Twenty-two percent of the Pacific and Wahkiakum counties' economic activity is tied to water. Oysters, tourism, and fishing are among the industries that contribute \$170 million annually and provide 1,900 jobs. In the past, the ports have relied on federal earmarks, loans from the CERB, and their own funds to pay dredging contracts with the U.S. Army Corps of Engineers (Corps). However, because the Corps must prioritize its activities on a cost-benefit basis, it has cut back on dredging activities at these ports. The affected ports have determined that they can buy dredge

equipment for two-thirds less than it costs to contract for dredge services. They applied to the CERB for a loan to help pay for the \$565,000 hydraulic dredge, thinking that the equipment would qualify as a "port facility" under the definition of "public facilities." However, the assistant attorney general (AAG) for the CERB was not certain that this mobile equipment could qualify. This bill is drafted tightly to accommodate specific kinds of equipment. This bill does not guarantee that the CERB would fund the project, only that it would consider the request's merits under the normal funding criteria. The DCTED believes that the existing term "port facilities" covers the dredging equipment, but the CERB is an independent board advised by its AAG. The DCTED and ports are working with the CERB to see if this can be reconsidered at the March meeting. If consideration can be allowed under current law, this bill will not be needed. In the meantime, the ports want to keep this bill moving.

(Opposed) None.

Staff Summary of Public Testimony (Capital Budget):

(In support) The bill is about a hydraulic dredge for a consortium of ports on the coast that had difficulty getting the Army Corps of Engineers to do the dredging for them. The ports decided the solution was to collectively buy a dredge. The Port of Willapa Harbor took the lead and applied to the Community Economic Revitalization Board (CERB) for funding. The CERB rejected the proposal and directed the ports to apply for help in dredging. Instead, this bill directs the CERB to consider the project as proposed.

(Opposed) None.

Persons Testifying (Community & Economic Development & Trade): Representative Takko, prime sponsor; Ginger Eagle, Washington Public Ports Association; and Rebecca Chaffee, Port of Willapa Harbor.

Persons Testifying (Capital Budget): Ginger Eagle, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying (Community & Economic Development & Trade): None.

Persons Signed In To Testify But Not Testifying (Capital Budget): None.